
**For more information on any of these events or leads please contact:
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Construction in Far East Russia

The Construction, Architecture and Design Catalog Exhibition, one the largest trade events in Vladivostok, will be held from May 8-11 at the Vladivostok Exhibition Center. The Russian Far East (RFE) a territory approximately equal in size to two-thirds of the continental US, has particular geographic and climate challenges, including extreme cold, typhoons, floods and earthquakes. These difficulties make construction in the region very complex. Few domestic construction companies and building product manufacturers, in the region, survived the transition to a market economy, making the need for western technology very important. In addition, new Russian safety requirements hamper the use of traditional building materials produced in Russia, making buyers focus on high quality western products and services. U.S. building products and technologies enjoy a favorable reputation and growing interest in the RFE. The projected construction on Sakhalin with oil and gas projects has made the Vladivostok construction sector one of the most dynamic sectors in the RFE and building products/ a promising export item to this region.

INTERTRAFFIC Amsterdam

INTERTRAFFIC Amsterdam 2004, is the largest trade exhibition on design, management and maintenance for the traffic, transport and parking infrastructure industry. This is an excellent opportunity for US companies to showcase their products/services to a broad spectrum of potential customers. INTERTRAFFIC Amsterdam 2004 expects an increase over the last show, held in 2002, where there were 23,741 visitors from 100 countries viewing the products and services of some 640 exhibitors. The event will be held March 30th through April 2nd, 2004. For more information regarding INTERTRAFFIC Amsterdam 2004, contact your ACE Trade Specialist.

Market Research

New Chinese Regulations for Foreign Construction/Engineering Firms

On 8 April, the People's Republic of China's (PRC) Ministry of Construction announced new policies with regard to the Administrative Regulations on Foreign-invested Construction Enterprises. The new regulations took effect beginning October 1st. In the past, foreign companies applied for qualification certification to carry out individual contracted projects in the PRC. Under the new regulations, foreign investors need to establish foreign-invested construction enterprises (FICEs) to be able to carry out multiple projects, subject to obtaining the appropriate level of qualification certification. Foreign enterprises may continue work on the existing contracted construction projects, but effective October 1, Chinese authorities will no longer accept applications from foreign companies seeking qualification to contract for individual PRC projects. Instead, foreign companies will need to establish FICEs if they wish to pursue projects in China.

For more information regarding these new regulations contact your ACE Trade Specialist.

Construction Market in China

Asia is currently the world's largest construction market with China accounting for the majority of new projects. Continued massive investment by the Chinese government, high economic growth rates, rapid urbanization and the awarding of the 2008 Summer Olympics to Beijing promise to foster growth in construction for years to come, providing many opportunities for foreign companies. The Chinese government has in-turn taken many steps to improve construction quality and procedures related to project bidding and tendering. Currently only a limited number of foreign ACE firms have established permanent offices in China, and most foreign companies participate on a project-by-project basis. Foreign ACE service providers face stringent market access restrictions, and pending legislation may further limit project-by-project access for foreign ACE firms.

Currently, wholly foreign-owned enterprises can only undertake the following types of ACE projects:

- Construction projects wholly financed by foreign investment and/or grants
- Construction projects financed by loans from international financial institutions and awarded through international tendering according to the terms of loans.
- Chinese-foreign joint construction projects with foreign investment equal to or more than 50%, but technically difficult for Chinese construction enterprises alone
- Chinese invested construction projects that are difficult to implement by Chinese construction enterprises alone can be jointly undertaken by Chinese and foreign construction enterprises with the approval of a provincial government.

Foreign ACE companies should consult with a local partner or hire a local lawyer specializing in China's construction sector to win and complete projects.

More information regarding regulations and upcoming projects can be found at:

- Beijing Investment Platform
<http://www.bjinvest.gov.cn>
- Beijing Municipal Commission of Urban Planning
<http://www.bjghw.gov.cn/english/>
- Beijing Organizing Olympic Committee for the XXIX Olympiad
<http://www.beijing-olympic.org.cn/>
- Beijing Central Business District Management Committee
<http://www.bjcbd.com>
- Ministry of Construction
<http://www.cin.gov.cn>
- China National Association of Engineering Consultants
<http://www.cnaec.org.cn>
- China Building Materials Industries Association
<http://www.bm.cei.gov.cn>

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